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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

November 6, 2001

BY FACSIMILE (202)
ORIGINAL BY U.S. MAIL

The Honorable Hector Barreto
Administrator
Small Business Administration
409 Third Street, SW
Washington, DC 20416

Dear Mr. Barreto:

In order to bring coherence and direction to the various Federal agency efforts to help promote U.S. Exports, Congress established the Trade Promotion Coordinating Committee (TPCC) under Title II of the Export Enhancement Act of 1992 (Act). The Act required that the TPCC develop a government-wide strategic plan that establishes priorities for federal activities supporting U.S. exports and propose an annual unified Federal trade promotion budget that supports the plan. In addition, the Act required that the TPCC eliminate areas of overlap and duplication among federal export promotion programs.

After more than eight years in operation it was unclear what impact the TPCC has had in helping to focus the numerous U.S. export promotion efforts. Accordingly, I requested that the General Accounting Office (GAO) undertake studies of how the TPCC has exercised its leadership role in coordinating existing export programs, initiating new export strategies, directing and coordinating the implementation of such programs, monitoring program performance, and measuring program results.

The first GAO report was designed to address the question of coordination of export training for small businesses. The GAO found that the Department of Commerce (Commerce) did not coordinate closely with the Small Business Administration (SBA) and as a result both agencies continued to provide separate and duplicative training programs for potential small business exporters. Similarly, neither Commerce nor the SBA collect outcome data for their export training programs. In addition, the agencies do not follow up with training participants to learn whether they engaged in export activities, the difficulties they encountered and how the training programs could be tailored to more effectively address their needs.

Commerce generally agreed with the GAO's recommendation that duplication should be eliminated and agreed that more systematic tracking of small business exporters was required. Surprisingly, the SBA declined to comment on the GAO's report. This decision is troubling given the

The Honorable Hector Barreto

Page 2

need for eliminating duplication within the programs. Each tax dollar wasted in such a manner could be better used in training small businesses to become exporters and I'm deeply concerned that SBA's failure to respond is indicative of a lack of interest in expanding the opportunities to American small business. Accordingly, please provide the Committee with a response to the enclosed GAO report. Finally, please outline your proposal to both reduce duplication and to improve follow-up by systematically tracking those small businesses that have received export training from the SBA.

I would appreciate receiving your response by November 21, 2001. Should you have any questions regarding this letter, please do not hesitate to contact Paul Conlon or Paul Cooksey at 202/224-
Thank you in advance for your continued assistance in helping America's small businesses.

Sincerely,

A handwritten signature in black ink, appearing to read "Kit Bond", written in a cursive style.

Christopher S. Bond
Ranking Member